

**CITY OF BISMARCK POLICE PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2004**

	August-04				July-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	Fiscal YTD	FY04	Ended	Ended
				Net ROR				Net ROR	Net ROR	Net ROR	6/30/2004	6/30/2004
											Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<b>Structured Growth</b>												
LA Capital	618,434	4.9%	5.1%	-0.57%	622,350	5.0%	5.1%	-5.13%	-5.68%	N/A	N/A	N/A
<b>Total Structured Growth</b>	<b>618,434</b>	<b>4.9%</b>	<b>5.1%</b>	<b>-0.57%</b>	<b>622,350</b>	<b>5.0%</b>	<b>5.1%</b>	<b>-5.13%</b>	<b>-5.68%</b>	<b>19.20%</b>	<b>-5.87%</b>	<b>-7.07%</b>
Russell 1000 Growth				-0.49%				-5.65%	-6.12%	17.88%	-3.74%	-6.48%
<b>Structured Value</b>												
LSV	690,235	5.4%	5.1%	1.47%	680,080	5.4%	5.1%	-1.26%	0.20%	29.44%	9.20%	8.31%
Russell 1000 Value				1.42%				-1.41%	-0.01%	21.13%	2.96%	0.64%
<b>Enhanced Russell 1000 Index</b>												
LA Capital	848,676	6.7%	6.9%	0.10%	848,134	6.8%	6.9%	-4.05%	-3.96%	18.59%	-0.17%	N/A
Russell 1000				0.49%				-3.51%	-3.04%	19.48%	-0.32%	N/A
<b>Enhanced S&amp;P 500 Index</b>												
Northern Trust	859,608	6.8%	6.9%	0.33%	856,989	6.8%	6.9%	-3.67%	-3.35%	19.00%	-0.31%	N/A
Strong	104	0.0%	0.0%	0.00%	26,541	0.2%	0.0%	0.00%	0.00%	21.13%	-0.06%	N/A
Westridge	857,312	6.8%	6.9%	0.44%	853,954	6.8%	6.9%	-3.30%	-2.88%	19.30%	-0.36%	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>1,717,025</b>	<b>13.5%</b>	<b>13.7%</b>	<b>0.38%</b>	<b>1,737,484</b>	<b>13.8%</b>	<b>13.7%</b>	<b>-3.18%</b>	<b>-2.81%</b>	<b>19.81%</b>	<b>-0.24%</b>	<b>N/A</b>
S&P 500				0.40%				-3.31%	-2.92%	19.11%	-0.69%	N/A
<b>S&amp;P 500 Index</b>												
State Street	437,198	3.4%	3.4%	0.41%	435,440	3.5%	3.4%	-3.31%	-2.92%	19.08%	-0.67%	-2.17%
S&P 500				0.40%				-3.31%	-2.92%	19.11%	-0.69%	-2.20%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>4,311,568</b>	<b>34.0%</b>	<b>34.3%</b>	<b>0.27%</b>	<b>4,323,487</b>	<b>34.4%</b>	<b>34.3%</b>	<b>-3.43%</b>	<b>-3.17%</b>	<b>20.38%</b>	<b>0.08%</b>	<b>-2.14%</b>
S&P 500				0.40%				-3.31%	-2.92%	19.11%	-0.69%	-2.20%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<b>Manager-of-Managers</b>												
SEI	1,261,267	10.0%	10.7%	-1.22%	1,277,776	10.2%	10.7%	-7.32%	-8.45%	33.33%	5.76%	N/A
Russell 2000 + 200bp				-0.35%				-6.57%	-6.89%	35.99%	8.43%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>1,261,267</b>	<b>10.0%</b>	<b>10.7%</b>	<b>-1.22%</b>	<b>1,277,776</b>	<b>10.2%</b>	<b>10.7%</b>	<b>-7.32%</b>	<b>-8.45%</b>	<b>33.33%</b>	<b>5.76%</b>	<b>6.81%</b>
Russell 2000				-0.51%				-6.73%	-7.21%	33.36%	6.24%	6.63%
<b>INTERNATIONAL EQUITY</b>												
<b>Large Cap - Core</b>												
State Street	140,761	1.1%	1.1%	-0.03%	141,171	1.1%	1.1%	-3.04%	-3.07%	27.44%	0.42%	-1.44%
MSCI EAFE - 50% Hedged				0.12%				-2.80%	-2.68%	26.98%	-1.27%	-1.15%
<b>Large Cap - Active</b>												
Capital Guardian	340,492	2.7%	2.8%	0.33%	340,909	2.7%	2.8%	-2.97%	-2.65%	25.40%	-1.15%	1.54%
Bank of Ireland	68,745	0.5%	0.6%	-0.13%	69,101	0.6%	0.6%	-3.34%	-3.46%	23.61%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>409,237</b>	<b>3.2%</b>	<b>3.3%</b>	<b>0.25%</b>	<b>410,010</b>	<b>3.3%</b>	<b>3.3%</b>	<b>-3.03%</b>	<b>-2.78%</b>	<b>25.11%</b>	<b>-0.79%</b>	<b>1.76%</b>
MSCI EAFE - 50% Hedged				0.12%				-2.80%	-2.68%	26.98%	-1.27%	-1.15%
<b>Small Cap - Active</b>												
Lazard	73,142	0.6%	0.6%	0.66%	72,832	0.6%	0.6%	-2.84%	-2.20%	44.40%	N/A	N/A
Wellington	68,280	0.5%	0.6%	-1.15%	72,833	0.6%	0.6%	-4.65%	-5.75%	42.26%	N/A	N/A
<b>Total Small Cap - Active</b>	<b>141,422</b>	<b>1.1%</b>	<b>1.1%</b>	<b>-0.25%</b>	<b>145,664</b>	<b>1.2%</b>	<b>1.1%</b>	<b>-3.74%</b>	<b>-3.97%</b>	<b>43.25%</b>	<b>N/A</b>	<b>N/A</b>
Citigroup Broad Market Index < \$2BN				1.00%				-4.20%	-3.24%	47.95%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>691,420</b>	<b>5.5%</b>	<b>5.5%</b>	<b>0.09%</b>	<b>696,845</b>	<b>5.6%</b>	<b>5.5%</b>	<b>-3.18%</b>	<b>-3.10%</b>	<b>29.19%</b>	<b>2.00%</b>	<b>1.63%</b>
MSCI EAFE - 50% Hedged				0.12%				-2.80%	-2.68%	26.98%	-1.27%	-1.15%
<b>EMERGING MARKETS EQUITY</b>												
Capital Guardian	238,347	1.9%	2.0%	4.19%	228,756	1.8%	2.0%	-1.94%	2.17%	27.91%	8.93%	2.83%
MSCI Emerging Markets Free				4.19%				-1.77%	2.34%	33.50%	13.09%	3.25%
<b>DOMESTIC FIXED INCOME</b>												
<b>Core Bond</b>												
Western Asset	433,993	3.4%	3.0%	2.06%	425,309	3.4%	3.1%	1.23%	3.31%	2.02%	8.00%	8.39%
Lehman Aggregate				1.91%				0.99%	2.92%	0.32%	6.35%	6.95%
<b>Active Duration</b>												
WestAM (Criterion)	421,154	3.3%	3.0%	1.53%	414,707	3.3%	3.1%	0.88%	2.42%	-0.25%	5.14%	6.43%
Lehman Aggregate				1.91%				0.99%	2.92%	0.32%	6.35%	6.95%
<b>Index</b>												
Bank of ND	638,904	5.0%	5.7%	2.19%	744,456	5.9%	6.7%	0.95%	3.15%	-1.03%	6.88%	7.04%
Bank of ND Match Loan CD Program	222,772	1.8%	1.8%	0.36%	102,160	0.8%	0.8%	0.42%	0.79%	5.08%	5.57%	5.70%
<b>Total Index</b>	<b>861,677</b>	<b>6.8%</b>	<b>7.5%</b>	<b>1.84%</b>	<b>846,616</b>	<b>6.7%</b>	<b>7.5%</b>	<b>0.85%</b>	<b>2.71%</b>	<b>0.23%</b>	<b>6.79%</b>	<b>6.83%</b>
Lehman Gov/Credit				2.12%				1.06%	3.19%	-0.72%	6.73%	7.10%

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	Market Value	Allocation	Actual	Month	Market Value	Allocation	Actual	Month	Fiscal YTD	FY04	Ended	Ended
				Net ROR				Net ROR	Net ROR	Net ROR	6/30/2004	6/30/2004
											Net	Net
<b>Convertibles</b>												
<b>TCW</b>	399,513	3.2%	3.0%	-0.36%	401,550	3.2%	3.1%	-4.83%	-5.17%	16.74%	0.51%	3.89%
First Boston Convertible Index				-0.30%				-2.49%	-2.78%	14.44%	4.95%	5.78%
<b>BBB Average Quality</b>												
<b>Strong</b>	418,714	3.3%	3.0%	2.39%	408,939	3.3%	3.1%	1.57%	4.00%	1.29%	6.26%	7.23%
Lehman BBB				2.55%				1.40%	3.99%	1.23%	8.23%	6.60%
<b>Timberland</b>												
<b>Evergreen (Wachovia)</b>	1,324,578	10.4%	10.4%	3.93%	1,274,645	10.2%	10.2%	0.00%	3.93%	10.46%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	3,859,629	30.4%	30.0%	2.35%	3,771,766	30.1%	30.0%	0.04%	2.40%	5.08%	6.35%	7.34%
Lehman Aggregate				1.91%				0.99%	2.92%	0.32%	6.35%	6.95%
<b>HIGH YIELD BONDS</b>												
<b>Loomis Sayles</b>	326,496	2.6%	2.5%	3.04%	317,375	2.5%	2.5%	1.21%	4.29%	N/A	N/A	N/A
Lehman High Yield Cash Pay Index				1.96%				1.37%	3.36%	N/A	N/A	N/A
<b>Sutter/Wells Capital</b>	327,882	2.6%	2.5%	1.52%	323,274	2.6%	2.5%	1.30%	2.84%	N/A	N/A	N/A
Merrill Lynch High Yield Master II Index				1.84%				1.33%	3.19%	N/A	N/A	N/A
<b>TOTAL HIGH YIELD BONDS</b>	654,378	5.2%	5.0%	2.27%	640,649	5.1%	5.0%	1.26%	3.56%	7.69%	6.68%	2.79%
Lehman High Yield Bond Index				1.96%				1.36%	3.35%	10.33%	9.30%	4.78%
<b>INTERNATIONAL FIXED INCOME</b>												
<b>International Sovereign</b>												
<b>UBS Global (Brinson)</b>	285,123	2.2%	2.3%	2.32%	278,871	2.2%	2.3%	-0.96%	1.33%	7.86%	14.20%	6.47%
Citigroup Non-US Gov't Bond Index (1)				2.45%				-0.88%	1.55%	7.59%	13.65%	6.84%
<b>International Core</b>												
<b>Brandywine</b>	290,786	2.3%	2.3%	1.67%	285,872	2.3%	2.3%	0.27%	1.94%	9.65%	N/A	N/A
Lehman Global Aggregate (ex-US)				2.38%				-0.70%	1.66%	5.20%	N/A	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	575,909	4.5%	4.5%	1.99%	564,743	4.5%	4.5%	-0.34%	1.64%	8.78%	14.41%	6.59%
Citigroup Non-US Gov't Bond Index (1)				2.45%				-0.88%	1.55%	7.59%	13.65%	6.84%
<b>REAL ESTATE</b>												
<b>J.P. Morgan</b>	651,972	5.1%	5.0%	1.02%	645,419	5.1%	5.0%	0.68%	1.70%	11.11%	7.63%	9.54%
NCREIF TOTAL INDEX				1.03%				1.03%	2.08%	10.82%	8.40%	9.33%
<b>ALTERNATIVE INVESTMENTS</b>												
Coral Partners V	31,930			0.00%	33,067			0.00%	0.00%	-31.07%	-34.06%	-13.63%
Coral Partners V - Supplemental	3,797			0.00%	3,932			0.00%	0.00%	30.44%	N/A	N/A
Coral Partners VI	20,651			0.00%	21,771			0.00%	0.00%	-21.72%	N/A	N/A
Brinson 1998 Partnership Fund	8,836			0.00%	9,151			0.00%	0.00%	9.41%	-7.52%	3.66%
Brinson 1999 Partnership Fund	13,246			0.00%	15,271			0.00%	0.00%	14.66%	-9.09%	-1.33%
Brinson 2000 Partnership Fund	24,487			0.00%	25,358			0.00%	0.00%	11.19%	-6.65%	N/A
Brinson 2001 Partnership Fund	11,303			0.00%	11,705			0.00%	0.00%	6.64%	-2.03%	N/A
Brinson 2002 Partnership Fund	6,421			0.00%	6,649			0.00%	0.00%	14.42%	N/A	N/A
Brinson 2003 Partnership Fund	883			0.00%	914			0.00%	0.00%	-4.63%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	7,443			0.00%	7,707			0.00%	0.00%	21.09%	8.14%	4.24%
Brinson 2000 Non-US Partnership Fund	9,294			0.00%	9,625			0.00%	0.00%	15.38%	5.71%	N/A
Brinson 2001 Non-US Partnership Fund	5,811			0.00%	6,018			0.00%	0.00%	16.63%	3.39%	N/A
Brinson 2002 Non-US Partnership Fund	8,729			0.00%	9,040			0.00%	0.00%	18.67%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	2,069			0.00%	2,142			0.00%	0.00%	-3.93%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	400			0.00%	415			0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	42,276			0.00%	43,780			0.00%	0.00%	21.17%	-9.85%	-10.01%
Matlin Patterson Global Opportunities	47,460			0.00%	62,639			0.00%	0.00%	13.00%	N/A	N/A
InvestAmerica	10,158			0.00%	10,519			0.00%	0.00%	-7.73%	N/A	N/A
Hearthstone MSII	4,967			0.00%	2,488			0.00%	0.00%	28.64%	20.32%	N/A
Hearthstone MSIII	59,732			0.00%	50,506			0.00%	0.00%	N/A	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (2)</b>	319,894	2.5%	3.0%	0.00%	332,698	2.7%	3.0%	0.00%	0.00%	7.05%	-11.71%	-3.15%
<b>CASH EQUIVALENTS</b>												
<b>Northern Trust STIF/STEP</b>	111,263	0.9%	0.0%	0.11%	69,224	0.6%	0.0%	0.12%	0.23%	1.44%	1.86%	3.48%
90 Day T-Bill				0.12%				0.12%	0.24%	0.98%	1.71%	3.29%
<b>TOTAL FUND</b>	12,675,648	100.0%	100.0%	1.01%	12,551,363	100.0%	100.0%	-2.12%	-1.12%	15.99%	4.25%	3.59%
<b>POLICY TARGET BENCHMARK</b>				1.01%				-1.67%		13.67%	4.14%	3.12%

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.